



FLOOD INSURANCE STATISTICS IN CONNECTICUT AND OTHER NEW ENGLAND STATES

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ISSUE

Explain and provide statistics for the federally-administered flood insurance plans in Connecticut and other New England states.

SUMMARY

Homeowner's insurance does not cover losses due to flooding. As a result, Congress created the National Flood Insurance Program (NFIP) in 1968 to (1) mitigate future flood losses through community-enforced building and zoning ordinances and (2) give property owners access to affordable, federally-backed flood insurance protection. NFIP is administered by the Federal Emergency Management Agency (FEMA).

FEMA administers the program, but the insurance is sold through private insurance companies. Because rates are established by FEMA, they generally do not differ between companies or agents.

Flood insurance is available through insurers at rates set by FEMA. A FEMA website, FloodSmart.gov, allows property owners and renters to search for participating insurers serving their communities.

As of July 31, 2016, there were [40,006 flood insurance policies active in Connecticut](#), insuring over \$10 billion of property value. Net premiums for these policies are \$52,685,433. Within Connecticut, coastal towns represent the majority of flood insurance policies, claims, and payments.

Connecticut has more flood insurance policies than any other New England state except Massachusetts. Due to the value of the insured property, the extent of damage, and other factors, Connecticut has historically received significantly larger insurance payments than every other New England state.

For more information on flood insurance, see OLR Reports [2013-R-0278](#) and [2012-R-0493](#).

FLOOD INSURANCE PREMIUMS

According to [NFIP](#), the average national flood insurance policy costs approximately \$700 per year. This cost is called the premium. However, the premium for a policy on any specific property varies significantly based on the property's construction (e.g., number of floors or finished basement) and flood zone. (A flood zone is FEMA's categorization of a property's risk due to geographical factors such as proximity to coasts or floodplains.)

[The average premium](#) for flood insurance on a residential property in a low-risk flood zone ranges from \$146 to \$474, based on the comprehensiveness of the coverage, according to NFIP.

FLOOD INSURANCE IN NEW ENGLAND

Losses and Payments

Since 1978, Connecticut policy holders have received more total payments from flood insurance policies than policy holders in any other New England state. This may be due to a variety of factors, including higher insured values or greater damages.

There have been 27,328 "losses" (e.g., claims) in Connecticut, second only to Massachusetts among New England states during the same period. Flood insurance has paid out over \$498 million to Connecticut policy holders, almost \$140 million more than paid out to policy holders in Massachusetts.

Table 1: Cumulative Losses and Payments, New England States, 1978-2016

State	Total Losses	Closed Losses	Open Losses*	Closed Without Payment Losses*	Total Payments (\$)
Connecticut	27,328	21,722	49	5,557	\$498,050,276.21
Maine	4,582	3,331	4	1,247	42,667,365.20
Massachusetts	31,739	25,183	12	6,544	358,382,014.56
New Hampshire	3,753	2,820	2	931	48,542,612.52
Rhode Island	6,450	4,709	2	1,739	120,451,897.09
Vermont	2,701	2,110	2	589	63,522,022.65

Source: FEMA: <https://bsa.nfipstat.fema.gov/reports/1040.htm>.

*Open losses are losses in which the policy has not yet paid in full.

Policies and Premiums

Table 2 shows the number of policies in force, the total insured value, and the total premiums paid in 2016 through July 31.

Table 2: Policies and Premiums in New England States, 2016

State	Policies In-Force	Insurance In-Force Whole (\$)*	Written Premium In-Force (\$)*
Connecticut	40,006	\$10,048,366,600	\$52,685,433
Maine	8,622	1,997,530,400	9,090,427
Massachusetts	65,212	16,304,531,000	76,641,562
New Hampshire	8,546	1,863,874,600	8,662,454
Rhode Island	14,740	3,816,707,200	19,813,457
Vermont	4,046	887,614,400	5,230,063

Source: FEMA: <https://bsa.nfipstat.fema.gov/reports/1011.htm>.

*Insurance in-force is the total insured value of properties covered by flood insurance; written premiums in-force is the total value of the premiums on active policies. Data as of July 31, 2016.

FLOOD INSURANCE IN CONNECTICUT

The total number of flood insurance policies in Connecticut remained stable from 2012-2015. However, the number of claims and the total claim payments varied significantly from year to year. For example, there were 6,258 claims made and over \$244 million paid out in 2013, but only 17 claims made and \$48,776 paid out in 2015 (see Table 3). (Hurricane Sandy occurred in late October 2012, which may explain the increase in claims in FY 2013.)

Table 3: Connecticut Flood Insurance Statistics, 2012-2015

FY (Oct 1 - Sept 30)	Total Claim Payments (\$)	Total Number of Claims	Total Number of Policies In-Force	Policy Growth
2012	\$95,941,000	4,145	41,058	0%
2013	244,259,338	6,258	43,365	6%
2014	447,249	71	42,068	-2.99%
2015	48,776	17	41,460	-1%

Source: FEMA: <https://www.fema.gov/policy-claim-statistics-flood-insurance>.

Losses and Payments

The majority of total losses and payments in Connecticut occur in the state's 24 coastal towns, which account for 78% of total losses and 88% of total payments (see Table 4).

Table 4: Cumulative Losses and Payments, Connecticut Towns, 1978-2016

<i>Town</i>	<i>Total Losses</i>	<i>Closed Losses</i>	<i>Open Losses</i>	<i>CWOP Losses</i>	<i>Total Payments (\$)</i>
Branford	735	580	0	155	\$12,387,960.52
Bridgeport	786	599	1	186	11,587,010.09
Clinton	427	328	1	98	8,086,341.42
Darien	510	408	2	100	18,035,953.69
East Haven	1,628	1,326	3	299	33,110,019.98
East Lyme	237	188	0	49	4,292,938.30
Fairfield	2,362	1,978	3	381	54,168,608.55
Greenwich	1,242	1,020	1	221	29,466,867.88
Groton	443.00	335	0	108	5,317,567.79
Guilford	421	304	0	117	7,498,302.06
Madison	578	447	0	131	11,263,545.80
Milford	3,148	2,656	26	466	73,504,849.20
New Haven	421	309	1	111	4,984,855.41
New London	175	131	1	43	2,333,562.52
Norwalk	1,831	1,538	3	290	43,282,712.52
Old Lyme	383	306	1	76	8,239,950.04
Old Saybrook	818	635	2	181	14,941,976.80
Stamford	1,017	813	0	204	23,895,132.54
Stonington	355	257	0	98	4,538,363.16
Stratford	744	585	2	157	10,910,015.44
Waterford	112	79	0	33	1,137,555.77
Westbrook	546	409	0	137	8,549,223.09
West Haven	497	375	1	121	4,799,060.59
Westport	1,797	1,487	1	309	42,511,891.25
TOTALS	21,213.00	17,093.00	49.00	4,071.00	438,844,264.41

Source: Author calculations from FEMA data, <https://bsa.nfipstat.fema.gov/reports/1040.htm>, through 7/31/2016.

Policies and Premiums

The 24 coastal towns represent about 75% of the total flood insurance policies, 76% of the total insured value, and 78% of the total premiums paid on flood insurance policies in Connecticut. Table 5 shows the number of policies, insured value, and premiums in these Connecticut coastal towns, as of July 31, 2016.

Table 5: Policies and Premiums in Connecticut Coastal Towns, 2016

<i>Town</i>	<i>Policies In-Force</i>	<i>Insurance In-Force Whole (\$)</i>	<i>Written Premium In-Force (\$)</i>
Branford	1,318	\$311,988,700	\$1,729,628
Bridgeport	1,728	344,215,500	1,758,189
Clinton	707	172,305,500	909,540
Darien	608	186,337,400	900,819
East Haven	1,208	257,036,800	1,677,481
East Lyme	430	121,472,200	416,611
Fairfield	2,567	683,250,700	4,294,879
Greenwich	1,719	517,321,700	2,453,861
Groton	927	257,650,100	1,561,776
Guilford	614	167,559,100	860,363
Madison	616	180,217,500	1,159,598
Milford	3,071	711,488,100	3,097,825
New Haven	977	238,491,900	1,394,139
New London	312	72,992,000	338,105
Norwalk	2,212	600,363,700	3,383,993
Old Lyme	568	153,058,000	801,094
Old Saybrook	1,532	396,043,500	2,128,753
Stamford	2,413	628,165,100	2,413,521
Stonington	1248	324,003,700	2,141,066
Stratford	2,077	479,503,400	2,670,599
Waterford	312	85,355,200	391,178
Westbrook	603	161,110,700	1,005,455
West Haven	1,069	224,465,400	1,112,465
Westport	1,355	416,115,900	2,335,792

Source: Author calculations from FEMA data, <https://bsa.nfipstat.fema.gov/reports/1011.htm>, through 7/31/2016.

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